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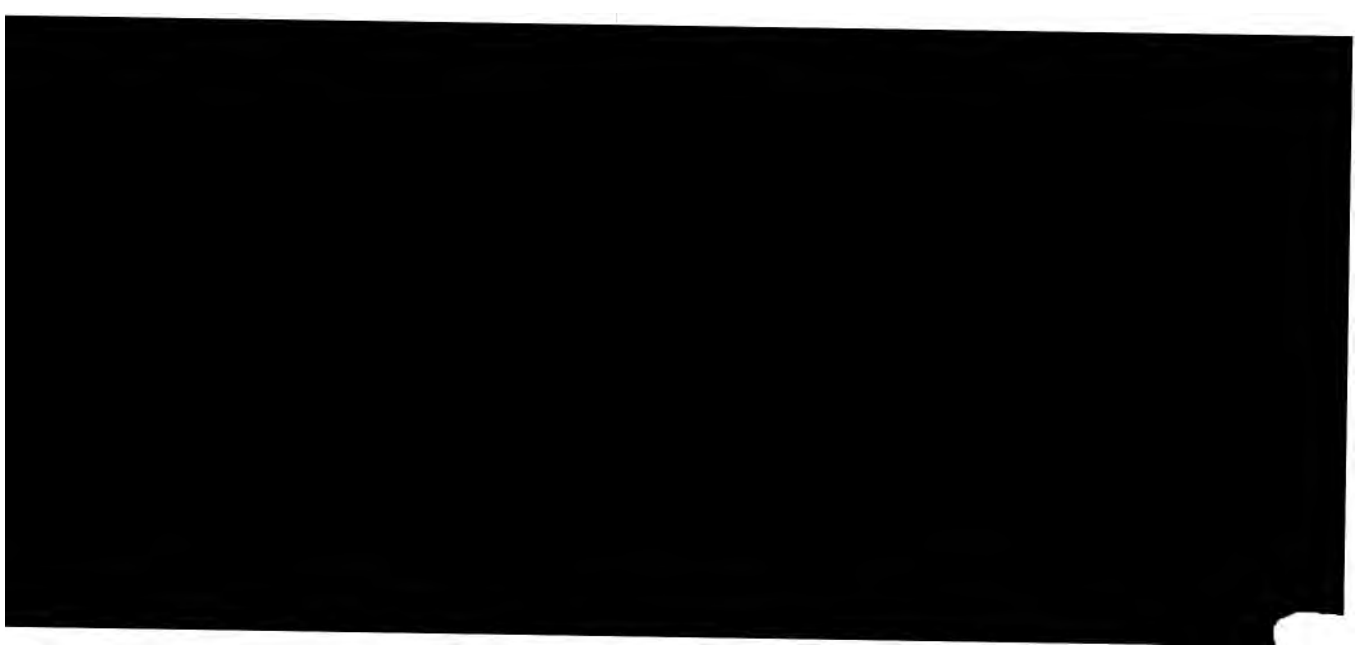

Pages 22-23 Van Horne Letter Book No. 12

At Ottawa,
June 19, 1885

Confidential

My dear Mr. Pardee:

I received your telegram last night but did not have an opportunity to reply before the mail closed.

I have informed Mr. Abbott that he cannot be a member of the Ontario Legislature or hold any other public office and remain in the service of the Canadian Pacific Company and that it is decidedly contrary to the wishes of the Company that any of its officers should mix in politics. I am pretty sure that my letter will have the necessary effect. I have reason to believe that Mr. Abbott was nominated without his knowledge and consent and he may not know yet as he is out on the line somewhere beyond Dog Lake.

You will, of course, understand why it is important that this note should be strictly confidential.

Yours very truly,

(sgd) W. C. Van Horne

Hon. T. B. Pardee,
Toronto.

June 20, 1885.

Private

J. C. McLagan, Esq.,
Victoria, B.C.

I have your favour of the 10th instant and the pass matter has already been arranged.

As to the Coal Harbour and English Bay matter, I will say that the contract with the Government of British Columbia has been executed on the part of this Company and has been in the hands of our solicitors at Victoria for sometime back. The final exchange of papers has been delayed by the arrangement of some matters of detail. While the matter is not absolutely consummated, I have no doubt that it will be very soon and that we will be able to proceed with the working out of our plans.

Yours very truly,

(sgd) W. C. Van Horne

June 22nd, 1885.

Alexander Begg, Esq.,
London.

Dear Sir:

I have your letter of the 4th inst. referring to the manner in which our line is shown on the Grand Trunk folder. This seems to me to be a matter that we cannot say anything to them about; but when next you have occasion to get some of our maps printed you should drop out their line from Toronto to Chicago and show it by a faint line only between Toronto and Montreal.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

Pages 89-91

Van Horne Letter Book No. 12

June 22nd, 1885.

The Honorable The City Council
of Winnipeg.

Gentlemen:

I have just received a copy of the resolution adopted by your honorable body on the 1st instant on the subject of the train arrangements between Winnipeg and Emerson and Gretna.

In reply I beg to say that the through passenger business by both of these roads has been insignificant for the past two years and that the company has lost a large amount by the operation of these two lines. The passenger trains particularly on the east side of the river have been run at night for several years back to the very great disadvantage of the local business and particularly to the disadvantage of local travel between Emerson and Winnipeg, and we have therefore felt obliged to arrange the train service in such a way as to be least expensive and at the same time to afford the most convenient facilities to the people of Emerson and those living along the lines between Emerson and Winnipeg.

The facilities afforded for through passengers do not seem to me to be unreasonable in view of the very small number passing to and from the south. We have frequently run passenger trains to and from the south with but one through passenger and the number seldom exceeds a dozen during the summer season.

I may add that our connecting line at the south has for more than a year back been diverting as far as possible all freight from our line to boats on the Red River and this diversion has reduced our earnings on the Emerson and Gretna lines to such an extent that a reduction in the operating expenses to the lowest possible point is absolutely necessary. Notwithstanding the reductions that have been made, we are losing a large amount daily in the operation of the two branches in question.

I am unable to see why we should continue to run our trains at hours inconvenient to the Company and the people living along the lines for the accommodation of a connecting railway, which loses no opportunity to divert our traffic and reduce our revenue.

In conclusion I beg to call attention to the fact that your reference to the subsidy granted to the Company by the City of Winnipeg can hardly apply to this case as the subsidy did not contemplate either the Emerson or Gretna connections.

Trusting that these reasons may be satisfactory to your Honorable Body, I have the honor to be, Gentlemen,

Your obedient servant,

(sgd) W. C. Van Horne
Vice-President

June 29th, 1885.

J.A.R. Homer, Esq., M.P.,
Ottawa.

My dear Sir:

Replying to your favor of the 24th inst., I have to say that the contract with the Government of British Columbia, which provided among other things for a branch line to New Westminster, was executed on the part of this Company sometime ago and forwarded to our Counsel in Victoria. There has been some delay in adjusting some matters of detail which were necessary to be completed before the exchange of the papers from our latest advices. I think everything will be closed within a week or two, immediately upon which engineers will be sent to locate the branch line to New Westminster and depot grounds etc., at that point.

Yours very truly,

Vice-President

29th June 1885.

I. M. Egan, Esq.,
General Superintendent

Dear Sir:

Referring to yours of the 23rd instant about ex Judge Ryan's pass, our friends at Ottawa fully believe, for what reason I do not know, that Judge Ryan is the source of Mr. Blake's information from the North West, which he is using adversely to the Company. Whether the information Judge Ryan gives Mr. Blake is favorable to us or not, it is certain that Mr. Blake is becoming more vindictive day by day.

One of the Ministers at Ottawa told me a few days ago that Blake sent for Judge Ryan and had a long conference with him before making his last speech on the Canadian Pacific Railway which was the most malicious of all his malicious speeches. I strongly suspect that Judge Ryan is pretending to be friendly in order to get inside information for Blake's purposes. You can do as you think best about the pass now that it has been issued, although I am not inclined to regard it as policy to supply any facility to the enemy. But by all means guard against letting him become acquainted with any of our affairs. It is certain that some one at Winnipeg is keeping Blake well posted about everything that can be used adversely to the Country and the Company.

Yours truly,

(sgd) W. C. Van Horne,
Vice-President

June 29, 1885.

Geo. F. Brown, Esq.,
Manager,
Pullman's Palace Car Co.,
Chicago.

Dear Sir:

I have delayed reply to your favor of the first until I could learn something of the effect of a reduction in our parlor car rates between Montreal and Toronto.

I am now able to say that while the cars earned scarcely anything on the $1.50 rate, the earnings are now quite satisfactory and I am satisfied that no mistake has been made in reducing the rate. As parlor cars were not run between Montreal and Toronto on any other line, our people did not think that a change in rate would interfere with any one. The fact that you had a contract between Montreal and Toronto did not occur to them. It was our intention to preserve existing sleeping car rates as far as possible as we desire to get all we can out of the business.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

Pages 336-337

Van Horne Letter Book No. 12

July 17, 1885

Dear Mr. Abbott:

Referring to your note of the 15th instant about Mr. Charlebois. Charlebois was employed as a Purchasing Agent for the Construction Department and as Department is being wound up, he in common with many others similarily employed were given notice to that effect. He is a very capable man and we had not thought of leaving him out of the Company's service and we had already arranged to give him other duties.

I am very sorry that Mr. Caron could have such a low opinion of us as to believe for a minute that a man's nationality could affect his standing in the service of this Company. If a man is competent and we have need of his services and he attends to his business properly, he will be kept whether he is a French Canadian or not. If he is not competent, or neglects his business or if we have no use for him, he will not be kept whether he be a French Canadian or not.

Yours very truly,

(sgd) W. C. Van Horne

Hon. J.J.C. Abbott, Q.C., M.P.,
Ottawa.

Pages 366-370 Van Horne Letter Book No. 12

July 19, 1885

Dear Mr. Stephen:

I reached home Wednesday, returning around the North Shore of Lake Superior, which the advanced condition of the work enabled me to do without loss of time.

That section is improving rapidly and will be in good shape for operation by the middle of September although there is no particular reason for opening it before the 1st of October.

The work between Port Arthur and Winnipeg, will be fully completed within five weeks. The line west of Winnipeg is in excellent condition and the country is looking magnificently. The crops in the North West are better than I have ever seen them and I did not find a "croake" on the whole trip.

In the Mountains the work is going on very well, with the exception of the high bridge at Stoney Creek which will not be completed before the end of this month and which has already held the track back several weeks. The delay from this however, will probably not materially delay the final completion of the line, as the changes in the line West of the Summit of the Selkirks to avoid snow slides, etc., will involve a delay of eight weeks beyond the time when we have to lay the last rail. I do not expect that the last rail will be laid before the 20th of October, and unless something extraordinary occurs, I feel sure that it will be done before the end of that month.

The need of my immediate return to Montreal prevented me from going very fully into Mr. Ross' matters, but we have had our Winnipeg Auditor out there for sometime, investigating the accounts and his results, and my own observations, have satisfied me that while a great many small things are not as they should be, there is nothing like "grand larceny" going on. The most suspicious matter that came to my knowledge was in connection with certain timber contracts in which Ross' brother is supposed to be interested and this is being quietly investigated.

The Lake Superior matter is getting worse the more we go into it and I hope to be able to make some very heavy reductions in the contractors claims. Mr. Ross left the day I returned and I have seen nothing of him since.

While in Winnipeg, Mr. Angus and myself had a very satisfactory conversation with Mr. Narquay and Mr. Lariviere on the subject of the Manitoba Aid Act and a formal application will be made for Provincial debentures to the extent of $7,500.00 per mile on the hundred miles proposed to be built. We have asked that the debentures be made payable in sterling, in London, and that they be issued immediately so that we can take advantage of any opportunity to negotiate them. The proceeds to be paid into the Provincial Treasury and to be handed over to the Company as the work is completed in five mile sections.

The work at the Pembina Crossing is very heavy, and is nearly all shale and as this is at the very beginning of the new construction we have already put forces on the cuts requiring the longest time for completion. Our relief bill will probably have received the Royal Sanction tomorrow at three o'clock. The shareholders' meeting will be held at four and I hope to be able to advise you by cable at that hour that everything necessary has been done.

Yours very truly,

(sgd) W. C. Van Horne

Pages 374-377 Van Horne Letter Book No. 12

1885

Sir:

I have the honor to state that I am instructed by the Manitoba South Western Railway Company to apply to your Government for aid under the Railway Aid Act 1885 in the construction of the Manitoba South Western Railway.

The location of the railway has been approved of by Order-in-Council in three sections namely:

1st - From the point to what it is at present completed to Manitou a distance of thirty miles.

2nd - From Manitou westerly to White Water Lake passing south of Rock Lake, a distance of about eighty miles.

3rd - From on or about section 19, township 8, range 4 westerly towards the southwestern corner of township 8, range 9, reaching the settlement to the north of the Tiger Hills.

And by the same Order-in-Council the Company is authorized to construct the second and third sections before completing the section described above as section one, the Company having communication with section 2 from and to Winnipeg over the South Western Branch of the Canadian Pacific Railway under arrangements with the Canadian Pacific Railway Company to that effect.

That by Order-in-Council of date the 6th of April last, the land grant of the Company amounting to 6400 acres per mile has been appropriated and allotted upon the said three sections respectively and that the Company has already earned an area of about 320,000 acres of land by the construction of fifty miles of railway already completed between Winnipeg and the present terminus.

The Company is now prepared to supplement the land grant in respect to the now completed sections of the railway by so much of the earned lands as shall be necessary to constitute an additional land area of 1100 acres per mile, making in all 7500 acres per mile.

I am therefore instructed to apply to your Government, for the issue, under the said Railway Aid Act by the Order-in-Council of Debentures of the Province to the amount of $7500 per mile of the said railway, to be granted to the Company in the manner described by the said Act, and in consideration of such aid the Company is prepared to transfer to the Provincial Treasurer of the Province an equivalent in land at the rate of one dollar an acre to the amount of aid so requested.

The transfer of such land or of the right to the same to be made in such manner as shall be satisfactory to your Government, and the same to be held by the Provincial Treasurer in trust for the Province, in accordance with the said Act.

As the Company possesses many facilities for the advantageous sale and disposal of such land, I am requested respectfully to ask authority from your Government for us to dispose of the same on behalf of the Government, accounting to the Provincial Treasurer from time to time as shall be determined, for the proceeds of the sale of such lands. Such sales of course to be made at not less than such minimum prices and upon such terms as the Lieutenant-Governor in Council may approve of.

I am also instructed to state that the Company will perform all the obligations imposed upon it, by the said Act and is prepared to satisfy His Honor the Lieutenant-Governor in Council of their ability to complete the Railway.

As it is most important that the work should be commenced immediately, I beg respectfully to request the favour of an early consideration of our application.

I am also instructed to request that the principal and interest of the debentures referred to shall be payable in London in sterling money.

I have the honor to be, Sir,

Your obedient servant,

(sgd) W. C. Van Horne

Honorable J. Norquay

Pages 379-380

Van Horne Letter Book No. 12

20 July 1885

H. J. Cambie, Esq.,
Kamloops, B.C.

Dear Sir:

Referring to your letter of June 27th and telegram of July 9 about the Kamloops matter. I have decided objections to committing the Company to the location of a Divisional point or Station until right of way matters are fully settled. I doubt very much if you will be able to trade with Mr. Mara. You certainly will not unless his views have materially changed since I talked with him.

Our expenditures at Divisional points are necessarily very large and we have in all cases endeavoured to secure a large enough interest in the adjacent real estate to recoup such expenditures. If Mr. Mara will give the Company the necessary grounds for shops, sidings, etc., and half interest in the rest of the property, we will probably trade with him, otherwise we must look elsewhere.

Yours truly,

(sgd) W. C. Van Horne

Vice-President

July 20, 1885

Harry Moody, Esq.,
London, Eng.

Dear Sir:

Replying to yours of the 2nd instant to Mr. Piers, I will say that we will be able to move at full speed, 500 men with their baggage, etc., on each train. Horses can be taken through the entire distance without unloading if not more than 8 or 9 are put in a car so that they may have room to lie down. Horses are frequently shipped 2000 miles or more without unloading.

We will have plenty of second class sleeping cars to move all the troops likely to be sent this way. Should we be short of them, we could put berths in regular coaches between the departure of the troops from England and their arrival here.

We can provide a cooking and a provision car with each train so that no stops for meals on the road will be necessary and all provisions necessary for a trans-continental trip could be furnished by the Company at much lower prices than the Government could obtain from individuals.

Within the past five days we have moved eastward nearly 3000 troops for the Canadian Government - carrying them an average distance of 1800 miles without accident or delay and without any trouble to the Government in the matter of commissaria supplies and with not one complaint so far as I have heard.

Should the Imperial Government see fit to send any troops this way for trans-Pacific points we will undertake to transport them across the country quickly, safely and comfortably. We will guarantee entire satisfaction.

If any regiments are to be sent to the East, I hope we may have an opportunity of showing what we can do in the way of transporting troops.

It is not likely that our track-laying will be completed before the middle of October as the rebellion in the Northwest kept men from going to our works during the months of March, April and May. We do not intend to open the through line for regular traffic until about the first of May next year but we will be able to transport troops in case of emergency at any time after the track is laid.

Yours truly,
(Sgd) W. C. Van Horne
Vice-President.

Pages 431-432 Van Horne Letter Book No. 12

July 23rd, 1885.

J. A. R. Homer, Esq., M.P.,
NEW WESTMINSTER, B.C.

Dear Sir:

Replying to your letter on the subject of the New Westminster Branch, it is our intention to send engineers to locate the branch as soon as they can be spared from the work between Savona's Ferry and Little Shuswap Lake, which from present appearances will be within from three to four weeks. As soon as the surveys are made a plan will be submitted to the City authorities of New Westminster covering our requirements as to depot grounds and right of way and these being satisfactory and if the $37,500 to be contributed by the City ... and the similar amount to be contributed by the Provincial Government be in a position to satisfy our Solicitors, we intend to commence the work of construction without unnecessary delay and to complete it at as early a date as practicable, but we cannot agree to any specific date for the completion of the work, because it is as yet uncertain when the Government line will be turned over to the Company and the Company is not in a position to commence work on the Coal Harbour Extension and New Westminster Branch until they are in possession of the Government line.

Yours truly,

W. C. Van Horne

Vice-President

July 24, 1885

H. J. Cambie, Esq.,
Kamloops, B.C.

Dear Sir:

Referring to the last page of your letter of the 29th ulto.: the closest possible check should be kept on the returns even if additional timekeepers are required and even if it does result in some controversy.

Yours truly,

W. C. Van Horne

Vice-President.

P.S. We want to do exactly what is right, but we don't want to pay one cent that is not right, whether unpleasant controversies result or not.

July 24, 1885.

Archer Baker, Esq.,
Liverpool, Eng.

Dear Sir:

Referring to your letter of the 2nd July on the subject of shipping Agents, I will say that this matter has been frequently discussed and to a certain extent the working of our arrangements with Mr. Redman foreshadowed the result of a move on our part to act as shipping agents without charge. It would at once, as you say, secure the emnity of the shipping agents and I doubt if we are yet strong enough to stand against this influence. I am very decidedly inclined towards some scheme of this kind as soon as our line becomes sufficiently well known and as soon as our arrangements with the Steamship Companies will enable us to defy the adverse influences of the shipping agents. Please keep your eye on the operations of the shipping agents.

We are all a little green in this business as yet, but if you will keep close watch on the operations of the shippers we will probably be able by the time we have secured an outlet to decide on a fixed policy.

If we go into such a scheme, we must go in to stay and fight it out.

Yours truly,

W. C. Van Horne,

Vice-President.

Pages 471-478 Van Horne Letter Book 12

July 27th, 1885.

Dear Mr. Stephen:

We have been busy running to Ottawa and back for the last week or so. Matters there still move very slowly but you have been advised by cable of all that has taken place in regard to the loan, mortgage, bonds, etc.

You will remember that a month or more ago Mr. Pope told me he wished us to take over the Government section in B.C. and that I objected for several reasons, that we were not prepared to operate it, that it would oblige us to take the Onderdonk equipment whether we wanted to or not, that the road was not completed according to contract. We discussed the matter for half an hour and dropped the subject without result, Mr. Pope manifesting some feeling and declaring that the road was completed and that he would compel us to take it.

I saw him again on Saturday in company with Onderdonk and Schreiber and Mr. Abbott. Mr. Pope opened the conversation by saying that the Onderdock contract was completed and that he wanted us to take over the road immediately. I argued the same objections as before whereon Mr. Pope became very angry and declared that we should take the road at once and that any objection to it he should regard as a "d---d trick" which he would not submit to. That if we raised such objections he would see to it that the whole contract was carried out strictly, etc. He soon left to go to council and on adjournment of council, I saw him again in the ante-room and explained our situation in the matter of rolling stock more strongly and clearly than I cared to do before in Onderdonk's presence. He said as to that, the Government would take the rolling stock from Onderdonk - that being a matter between the Government and Onderdonk. I replied that we could not object to this if we were not expected to take the stock from the Government at their prices. He had earlier in the day stated that he wanted the stock turned directly over to the Company and proposed to send out an appraiser who should be satisfactory to the company to which I objected for reasons you will readily understand.

Near the close of our later interview I mentioned the curb and wharfing as very objectionable and spoke of its use at the foot of certain high embankments. He flew into another violent passion, declared that it was not so used notwithstanding my statement that I saw it in the work. I referred him to Onderdonk to verify my statement but he said he didn't care a damn

what Onderdonk or anybody else said, there was no such work, it was what Fleming had once proposed but had not been permitted. He went on to say that he wouldn't stand any trickery or sharp practice, that we must take the road over without any quibble or he would see to what extent our contract could be enforced, etc. etc.

I suggested a commission if we could not agree and he said he didn't want any commissions, the road was completed according to contract and he knew it.

I had to hurry away to catch the train. Today we received official notice of the readiness of the Government to turn over the line. I am going to Ottawa in the morning to try to discuss the matter with Mr. Pope and will do my best to avoid any vexation on his part.

I can't account for his outburst of wrath. Mr. Abbott says Mr. Pope expressed himself very angrily on this subject a month ago.

I understand that he gave very strong assurances to the B.C. members some weeks ago that the road should be taken by the company immediately. They may have been goading him or Onderdonk may be playing a double game to work off his equipment.

At all events something extra-ordinary has occurred with Mr. Pope and I will try to find out tomorrow what it is.

If we take over this line now it will be very awkward to operate as a detached section and aside from the equipment question I don't see how we can afford to take it over without careful examination and provision for what we think should yet be done to fit it for operation. If we do we will be in for heavy expenditures at no distant day at the same time I fully appreciate the importance of retaining Mr. Pope's good-will.

Yours very truly,

(Sgd) W. C. Van Horne

Pages 512-518

Van Horne Letter Book 12

July 28th, 1885.

My dear Mr. Manuel:

I have had a full discussion of the whole question with Mr. Kerr who goes west today with a memo, embodying the results.

As much discussion of the matter will be impracticable at this distance. I have tried to put the thing at once in the fairest and most liberal possible shape and I feel sure that if you will carefully consider the whole situation you will be perfectly satisfied with the proposal contained in my memo. Mr. Kerr can explain just how all the figures are arrived at.

Yours very truly,

(sgd) W. C. Van Horne

A. Manuel, Esq.,
St. Paul, Minn.

Memo: re
West Bound Canadian Freight Pool

Pool to cover all west bound Canadian freight originating east of the Detroit River and Lake Huron (other than that originating locally on the main line of the C.P. Ry. north of Carleton Place) and destined to Winnipeg and points in the Winnipeg district, which said district shall include points between Winnipeg and East and West Selkirk inclusive, between Winnipeg and Stonewall inclusive, between Winnipeg and Emerson inclusive, between Winnipeg and Gretna and Manitou inclusive, between Winnipeg and Maryland inclusive and between Winnipeg and Portage la Prairie inclusive, but excluding freight for points on the Manitoba and North Western Ry. Imports via Portland, Boston-New York and other Atlantic seaports in the United States destined to the Winnipeg district as above described shall be included as Canadian pooled freight.

Freight destined to the Winnipeg district from points in the United States where the distance is as short by the Canadian Pacific lines and connections as by the St. P. M. & M. and connections shall be pooled under the term American pooled freight.

On all Canadian pooled freight as described carried by the C.P.R. that Company shall pay to the St. P. M. & M. twelve (12) per cent of its gross earnings from Thunder Bay to the point of destination in the Winnipeg district. On all Canadian pooled freight carried by the St. P. M&M from St. Paul or Duluth the C.P.R. shall receive (including the proportion of the through rate accruing to its line north of Emerson and Gretna) forty eight (48) per cent of the through rate from St. Paul or Duluth to the point of destination in the Winnipeg district.

As to the pooled American freight as described the profits on such freight hauled from Thunder Bay, Duluth and St. Paul to the Winnipeg district shall be equally divided between the two lines. The line between Thunder Bay and Winnipeg to be considered as one line and the line between Duluth and St. Paul and Winnipeg to be considered as another, and one half of the full rate west of St. Paul, Duluth and Thunder Bay to be deemed profit. Therefore on such American pooled freight carried by the C.P.R. via Thunder Bay, the St. P. M&M shall receive 20% of the gross earnings of the C.P.R. on such freight and on freight carried via Duluth and St. Paul the C.P.R. shall receive (including its lines proportion of the through rate north of the International Boundary) forty (40) per cent of the gross earnings from St. Paul or Duluth to the point of destination in the Winnipeg district.

Freight from all United States points to the Canadian Northwest where the distance is shorter via the St. P. M&M and its connections than via the C.P.R. and its connections shall be conceded to the St. P. M&M and the C.P.R. shall not quote rates from such points, but should the C.P.R. carry any such freight via Thunder Bay, it shall pay to the St. P. M&M all of its net earnings on such freight on the basis of Winnipeg rates less the proportion of such net earnings as would accrue to its own line north of Emerson or Gretna - in other words the St. P. M&M shall receive on such freight carried by the C.P.R. 37½ per cent of the rate from Thunder Bay to Winnipeg.

Freight from points in the Eastern United States where the distance of the St. P. M&M and connections is greater than that of the C.P.R. and connections and freight from Eastern Canada destined to points in the Canadian Northwest outside of the Winnipeg district as described shall be conceded to the C.P.R. and the St. P. M&M shall not quote rates on such freight but should any such freight be carried by the St. P. M&M the C.P.R. shall receive in addition to the proportion of the through rate, accruing to its own line north of Emerson and Gretna the entire net earnings of the St. P. M&M thereon.

The rates from Thunder Bay, Duluth and St. Paul to points in the Winnipeg district shall be uniform and shall be made as nearly as practicable on the basis of the tariff of the C.P.R. of May 13th, 1884 (?) (first class $1.33, etc.) with the understanding that either line may accept $1.25, etc., as its proportion of a through rate from points farther east and that this rate when so used shall be allowed in pool settlements.

On all west bound freight from points in the territory conceded to the St. P. M&M, the rates from St. Paul to Canadian Pacific points in the Northwest shall be no less than from Port Arthur except as the same may be modified from time to time by mutual agreement and on this business the Canadian Pacific will accept to points <u>in the Winnipeg district</u> 25% of the rate from St. Paul except on freight consigned locally from or via St. Paul to <u>Emerson</u> or <u>Gretna</u> on which the percentage of the C.P.R. shall be. - % and to points outside the Winnipeg district the C.P.R. shall accept on this freight 10% less than its local tariff rates from Emerson or Gretna.

The St. P. M&M to discourage in every legitimate way the forwarding of freight northward from St. Vincent by boats on the Red River and to charge full local St. Vincent rates on all freight consigned to such boats for the Canadian Northwest and should any freight be carried by the St. P. M&M consigned to such

boats said freight shall be subject to the pool terms.

Freight for the C.P.Ry's use for construction or operation, including contractors outfits covered by agreements between the Company and Contractors shall be excluded from the pool.

Timber and other raw products of the forest, coal, stock, cattle and legitimate emigrants effects shall also be excluded.

Materials and supplies for the construction of new railways or for the use thereof, carried under general contracts at reduced rates shall also be excluded.

And it is understood that the foregoing items of traffic excluded from the pool shall not be subject to the clause providing for uniform rates but that each party shall be free to carry such excluded items at any rates they may see fit.

During the continuance of this pool arrangement the Canadian Pacific will discourage in every possible way the building of any line of railway south of the Manitoba boundary in competition with the St. P. M&M and should such line be built notwithstanding, the Canadian Pacific will quote rates and exchange traffic exclusively with the St. P. M&M as against such new line.

August 4th, 1885.

Joseph Hickson, Esq.,
General Manager,
Grand Trunk Railway,
Montreal, Can.

Dear Sir:

Replying to your favour of the 31 ulto. I will say that I am disposed to make an arrangement whereby your Company will be afforded a satisfactory connection with Ottawa, either via Prescott or Brockville.

The question of the transfer of the St. Lawrence and Ottawa to your Company has never been thought of by our people.

Our active Directors are nearly all absent and will not be home until about the 22nd instant and if that date will not be too late for your purposes, I will discuss the question with them immediately on their arrival and will be prepared then to say what,if anything, can be done in that direction.

Your information that we are not making use of the line is not quite correct, although it can hardly be said to have been in full operation for a considerable time back owing to the fact that the bridges on its Chaudiere Branch had been condemned and had to be rebuilt, but this work will be completed in a very short time.

Yours very truly,

(sgd) W. C. Van Horne
Vice-President

August 7, 1885.

Harry Beatty, Esq.,
Toronto, Ont.

Dear Sir:

Before Mr. Stephen sailed for England, he wired me when I was in the Northwest that very serious complaints were made about the table and dining service generally on the boats and requested me to investigate the matter.

I have not been able to give it much personal attention, but I have met a good many who have travelled on the boats this summer and have made it a point to enquire in each case about the matter referred to and I have been told by a great many that the cooking was bad and the meals provided were especially bad, the steaks tough and in most cases fried instead of broiled. These complaints are made of all the boats and unfavourable comments upon the meals have been made by almost every party questioned.

One gentelman in whose opinions I have considerable confidence tells me that he has seen the meals put on board the boats at Owen Sound on several occasions and that they are not even second-rate and this confirms my own experience on my last trip on the boats. The meals on that occasion were certainly not even third-rate.

Something must be done to improve the commissariat. I don't believe the contract system for furnishing meals can possibly work satisfactorily or that proper meats can be had by the quarter in such a small market as that of Owen Sound.

I suggested to you sometime ago that I would be willing to let somebody who should know what was what make a few trips on each of the boats to Port Arthur and back to report on the cooking and the table service. Have you done anything in that direction? If not, no time should be lost in the matter.

Adverse reports have reached all or nearly all of our Directors and they are to say the least annoying.

Have you done anything about wines, etc., on the boats? If so, please send me a list of those supplied and their cost prices, also the prices charged for them.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

Pages 672-674

Van Horne Letter Book 12

August 10, 1885.

My dear Mr. MacDonald:

Replying to your favor of the 28th ultimo, I must say that while we have had a great many applications and propositions relating to the news business on our lines, we have not yet had time to consider any of them or to decide upon any definite plan.

I have an intense dislike for the news system in the form in which it exists on the different railways in Canada and the United States and wish, if possible to make a radical change in it on the Canadian Pacific. The contract system under which the train boys receive a percentage on the sales results in excessive prices and the character of the stuff sold is vile, both literature and fruits. It is not likely that we will make any material change in our present arrangements until after the completion of our through line to the Pacific, next spring, and sometime during the coming winter we will talk over the question and come to some conclusion about it. At present I am inclined to the belief that it would be best handled by the Railway Company as we are more interested in making it satisfactory to the travelling public and in eliminating the features of the business that have in the past made it a universal nuisance than in getting much profit out of it.

I will be glad, however, to favor you in the matter if possible and will communicate with you as soon as we have time to give it the necessary consideration.

Yours very truly,

(sgd) W. C. Van Horne
Vice-President

Hugh J. MacDonald, Esq.,
Winnipeg.

Pages 680-682

Van Horne Letter Book 12

August 10, 1885.

Hon. J. Carling,
London.

Dear Sir:

Referring to your note of the 5th inst. about the extension of the C.P.R. from Ingersoll to London, we are exceedingly anxious to construct this section of the line as soon as possible, but there is not as yet any market whatever for our Ontario and Quebec securities, the hostility of the Grand Trunk having prevented them from being listed on the London stock exchange, and therefore having no place in the money markets, and no quotations these securities are not available even for temporary loans. The Grand Trunk people understand that our extensions in Ontario and the construction of our bridge at Montreal depend upon floating these securities and they are determined to go to any length to prevent us from floating them on the markets. How long this state of affairs may continue I cannot guess.

The Government aid as you know is not available for such purposes and we have no means outside of the Ontario and Quebec securities, which are all carried as yet by a few individuals. If we can get sufficient assistance from London to cover the cost of the grading, bridging, and right of way, we could manage in some way to get the track down. It has been contrary to the policy of the Company to ask for assistance of this kind, but lacking it there may be great delay in meeting the wishes of your city in this matter.

The grading, bridging and right of way between Ingersoll and London would cost about $100,000. We could get through with less, but this section would before long form part of a through trunk line and it will be necessary to build it in a first class manner.

Yours truly,

(sgd) W. C. Van Horne,
Vice-President.

Pages 704-709

Van Horne Letter Book 12

August 10, 1885

Dear Sir:

The Company having received notice from the Department of Railways that the line between Port Moody and Savana's Ferry is completed and ready to be turned over to the Company in accordance with the contract between the Government and the Company, you are requested to proceed immediately to British Columbia and to make a thorough examination of the line between Port Moody and Savana's Ferry and to report upon the character of construction and the general condition of the same.

You are requested to note particularily the condition of the permanent way, of the slopes and the cuttings, of the bridges and trestles and to report particularily upon any work remaining to be done that may be necessary to the safe and continuous operation of the line.

Your attention is directed particularily to the slopes above the track between Boston Bar and Lytton and above Lytton and to the crib wharfing and buried timber work reported to exist at various points on the line.

You are expected also to report upon the location and length of all the sidings that have been provided for traffic purposes and upon the character and location of all depots and other structures provided for traffic and for the general purposes of the railway.

The standard fixed for this section of the line in the contract between the Government and the Company is that of the Union Pacific Railway as it existed in 1873. This standard while indefinite will probably admit of the construction of timber structures where a reasonable regard for the safe and continuous operation of the line would not require structures or work of a more permanent character.

You are requested therefore to make a general report upon all timber structures in connection with the roadway and especially to report upon all structures where decay has made any material progress and where safety would require the immediate substitution of permanent work.

You are requested to note and report particularily whether sufficient precautions have been taken against slipping of slopes in the earth work between Savanas and Lytton and at other points on the line and against encroachments by the river and to ascertain whether or not the requisite number of ties, namely 2640 per mile, have been used and whether or not the track is fully spiked and properly laid and upon such other matters generally as may come under your notice and which may in any way affect the future operation and maintenance of the line.

You are to commence your examinations at the docks at Port Moody and work eastward taking all the time necessary for the thorough examination of the line and upon reaching Savana's Ferry you are to proceed homeward over the line constructed by the Company as expeditiously as possible noting on the way anything in connection with Company's works which you may deem of sufficient importance to lay before the Directors in a special and separate report.

It is important that your trip be made within the shortest time practicable but that the examination of the Government section should be thorough in order that your report may be as far as possible conclusive.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

A. Peterson, Esq.,
Canadian Pacific Railway,
Montreal.

Pages 708-709

Van Horne Letter Book 12

August 8, 1885.

Major A. B. Rogers,
Kamloops, B.C.

Dear Sir:

The Company having been notified by the Department of Railways that the line between Port Moody and Savana's is ready to be turned over, Mr. P. A. Peterson has been selected by the Company, to go out to British Columbia to report upon the line. Mr. Peterson will return through the mountains and you are requested to give him all possible assistance on his trip Eastward.

Yours truly,

(sgd) W. C. Van Horne,
Vice-President

Pages 708-709 Van Horne Letter Book 12

August 8, 1885.

James Ross, Esq.,
Manager of Construction,
British Columbia.

Dear Sir:

The Company have been notified by the Department of Railways that the line between Port Moody and Savanas Ferry is ready to be turned over, and Mr. P. A. Peterson has been selected by the Company to go out and report upon the line. He will return East by way of the mountains, and you are requested to give him every assistance on his journey through your territory.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

Pages 711-714 Van Horne Letter Book 12

August 10, 1885.

H. J. Cambie, Esq.,
Kamloops, B.C.

Dear Sir:

The Company having been notified by the Department of Railways that the line between Port Moody and Kamloops is completed and ready to be turned over in accordance with the contract between the Government and the Company. Mr. P. A. Peterson has beenselected by the latter to go out to British Columbia to report upon the line. Please give Mr. Peterson all the assistance and information possible.

It is exceedingly important that no work should be left by the Government for the Company to do without adequate provision, which should not be so left under the contract between the Government and the Company.

We have taken exception in a general way to the crib wharfing on the line, and shall take exception to any buried timber work, if any there be, and we have also taken exception to some of the slopes particularily between Boston Bar and Lytton, which have not been sufficiently taken down to secure uninterrupted operation of the line.

If there have been any variations in the plans and specifications of the contract between the Government and Onderdonk since the contract with the Company was made in the winter of 1881 and which have had the effect of deteriorating the line, we would be justified in taking exception to these changes so far as the work between Emory Bar and Savona's Ferry is concerned.

We want to save all the points we legitimately can, and your knowledge of the work will be very important to Mr. Peterson, the importance of whose inspection and report cannot be over-estimated. I shall be glad, therefore, if, even at the expense of inconvenience and perhaps of some neglect of your other work, you will give all the time necessary to this matter in order that Mr. Peterson's report may be full, indisputable and generally conclusive.

Yours truly,

(sgd) W. C. Van. Horne
Vice-President

August 11, 1885.

Lady Macdonald,
Riviere du Loup, Que.

Mr. Piers writes at the request of Mr. Van Horne to inform Lady Macdonald that we are anxious if possible to put Official Car No. 1 through the shops for thorough repairs and some improvements and generally to put the car in proper condition for the use of herself and Sir John at the opening of the line, through to the Pacific in eight or ten weeks hence. Will Lady Macdonald kindly say when it will best suit her convenience to spare the car for the necessary time?

Mr. Van Horne does not wish to interfere with any plans that may have been made for the use of the car, but simply asks the information in order that arrangements for the work may be made ahead of the car's arrival.

Some vandal having renamed the Car "Hull", when last she was here, and without Mr. Van Horne's knowledge, he would be glad if Lady Macdonald would suggest a name which would be more appropriate.

Pages 751-755

Van Horne Letter Book 12

August 13, 1885.

Geo. Purvis, Esq.,
Winnipeg, Man.

Dear Sir:

I have been absent much of the time since the receipt of your letter of July 17th and when I have been at home I have been so crowded by important work that I could not give the necessary time to a full reply.

I am particularily anxious not to be misunderstood about this question of an elevator at Winnipeg and I am particularily anxious in making any concessions in favor of such an elevator not to be understood as seeking its construction or as believing in its success.

If I believed that the grain trade of the Northwest needed such an elevator or that it could serve any useful purpose or that it would be a financial success, I would gladly do everything in my power towards securing its construction.

It is not in the interest of the Canadian Pacific Company, the City of Winnipeg, or the Northwest generally, that an expensive structure of this description should be erected with the probability of its being comparatively useless. It would be a standing reproach to the grain trade of the Northwest to have it said that a large elevator had been built at Winnipeg and that it found nothing to do. You can readily see what inferences would be drawn by the people abroad who could not understand the reasons.

However, if after this fair notice anyone wishes to build such an elevator at Winnipeg, the Company will transport the lumber, brick, stone and machinery for its original construction at half tariff rates, which would be very much below cost, and will permit grain to be shipped through such elevator on the same terms and conditions as are accorded to the mills at Winnipeg and at other points, namely, an extra charge over the direct through rate of one cent per hundred pounds or six-tenths of one cent per bushel. The ordinary local rates from the point of shipment to Winnipeg to be paid when the grain goes

into the elevator and when the grain is shipped out it shall be billed forward at the through rate from the original point of shipment plus one cent per hundred pounds for stoppage, deducting the amount already paid as the local rate from the original point of shipment to Winnipeg.

I will add, however, in order that there may be a clear understanding on all points that any inspection that might be made at Winnipeg could not govern the elevators at the Lake Ports any more than does the inspection at Thunder Bay govern the inspection at the elevators at Montreal. The Winnipeg inspection can only follow the grain in cases where the grain is shipped directly through by cars to destination or when it is shipped through in special lots from Winnipeg by lake and rail so as not to require inspection at Thunder Bay for storage purposes.

In speaking of the location of your proposed elevator near the River so as to handle river grain, I presume you have in view the handling of grain from Dakota and Minnesota points coming down the River, but you must not forget, that the steamboats and barges handling such business would not be permitted to pass the International Boundary. In view of the custom's difficulties, we will probably build a small water elevator at the International Boundary at Emerson for the purpose of handling any grain that may come down the River.

Yours truly,

(sgd) W. C. Van Horne,
Vice-President

August 14, 1885.

My dear Mr. McGreevy:

I have your favour of the 13th instant.

I doubt very much whether our acquisition of the North Shore Railway is a fair subject for congratulation, but time will tell. We are going to do all we can to make it a success, but, in my opinion, the price we are obliged to pay is excessive and I don't think the road will earn interest on the amount. However, we appreciate your good intentions in the matter and will do anything we reasonably can to oblige you. The names suggested in your letter will be kept in mind in any re-organization of the working staff, but I cannot promise anything without some personal knowledge of the men which I shall take pains to acquire.

Yours very truly,

(sgd) W. C. Van Horne
Vice-President.

Hon. Thos. McGreevy,
Quebec.

Pages 816-818

Van Horne Letter Book 12

August 17, 1885.

Archer Baker, Esq.,
General European Freight Agent,
Liverpool, Eng.

Dear Sir:

Replying to yours of the 6th instant about the shipment of frozen salmon from British Columbia to Great Britain. I will say, that I have no doubt that this can be successfully done after the opening of our through line and that the business will pay a very handsome profit.

Although our line will be completed through to the Pacific this Fall, it will not be opened for regular traffic until about the middle of May next, after which date we will be able to make very good time across the Continent with a view to supplying Eastern markets with salmon next spring. We have already arranged to put up a considerable quantity of ice at the Pacific Terminus during the coming Winter and we will also have refrigerator cars ready for the traffic in the Spring. If need be, we will provide a few refrigerator cars for service on our through express trains. By bringing the salmon through on express trains, they ought to be laid down in Liverpool in fourteen days.

We expect to construct a branch line early next season to New Westminster, but pending its completion, the salmon may be handled very conveniently at Port Hammond where our line turns off from the Fraser River to Port Moody.

We have not yet decided on rates on this traffic, but we could hardly afford to carry in special cars on express trains for less than 4¢ per lb., the Company icing the cars at the initial point and providing the necessary ice on the route. If carried by freight trains the rate would of course be considerably less, but even at the rate named by express trains, the fish should be laid down in Liverpool including first cost at 4¢ a pound, which from what I can learn should leave a very handsome margin, after making a wide allowance for contingencies.

Yours truly,
(Sgd) W. C. Van Horne,
Vice-President

Pages 825-827

Van Horne Letter Book 12

August 17, 1885.

H. J. Cambie, Esq.,
Kamloops, B.C.

Dear Sir:

If our negotiations with the Government of British Columbia about terminal matters do not fail, we will be obliged to construct a branch line from some point near Port Moody, say about the Coquitlam, to New Westminster.

The New Westminster people are exceedingly anxious that this survey be made without delay in order that they make the necessary arrangements for right of way and depot grounds, which they are to furnish.

A survey was made two or three years ago by Mr. Marcus Smith, which indicated a very easy line, and it may be that a revision of this line will only be necessary as we will adopt that line if you can find no better or cheaper one.

Anyway we wish to decide upon the final location as soon as possible in order that we may be able to give the New Westminster people the information they desire and I would like as early as convenient your recommendation as to the Terminal grounds at New Westminster. I think the line should be carried around far enough to reach the sawmills (Webster's and the others), but that the depot ground should be east of these.

I would like also to have you personally look over the line located by Major Rogers between Port Moody and English Bay at your earliest convenience and give me the benefit of your suggestions concerning it. If the location is all right, as I presume it is, the work should be laid out with a view to the early letting of contracts and commencement of work.

Yours truly,
(sgd) W. C. Van Horne
Vice-President

We ought, if possible to provide for getting through New Westminster so as to make the branch part of a loop line should it ever become desirable.

W.C. V.H.

August 18, 1885.

My dear Sir:

Yours of the 17th to Mr. Whyte has been handed to me and I have written Mr. Carling on the subject.

I think it would be a very great mistake for the people of London to do anything at present that would be to the disadvantage of the proposed new line and to the advantage of the Grand Trunk. The advantages already enjoyed by the Grand Trunk in London will count heavily against us in raising money for the new line and any new advantages given them to the disadvantage of our proposed new line will add to our difficulties. I do not imagine that the people of London feel that they are under a very heavy load of obligations to the Grand Trunk.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

Thos. R. Parker, Esq.,
London, Ont.

Pages 897-898 | Van Horne Letter Book 12

August 18, 1885.

Hon. R. M. Wells, Esq.,
Toronto.

Dear Sir:

The recent arbitrary attempts of the Grand Trunk Company to interfere with our legitimate business in the Union Station at Toronto, have shown us the necessity of providing an independent passenger station in that city, and although we must in this particular continue to be at a great disadvantage as compared with the Grand Trunk, by reason of their earlier occupation of the ground and the manner in which they have it covered. I think that in view of the magnitude of the interests involved, the City of Toronto should assist us to a reasonable extent in providing for special passenger facilities - not in the way of a contribution of money, but by enabling us to reach suitable grounds.

In a letter written today, I suggested that the new street proposed to be opened south of the Esplanade should be made to extend from Queen's Wharf to Berkeley Street, and that sufficient room be allowed for two or three tracks on the north side thereof. If this is done it will probably be practicable for this Company to secure sufficient ground on the south side of the proposed new street, somewhere between the Union Station and the Gluecose Works for a passenger station. The numerous railway tracks will make this location very objectionable but I understand that the City Authorities of Toronto have for some time back contemplated bridging certain of the streets across these tracks, and if this is done the location proposed, would probably answer very well, and I can see no other way for securing passenger facilities within a distance convenient to the business of the city.

I will be glad to hear from you as to what you think may be done in the direction indicated.

Yours truly,

(sgd) W. C. Van Horne
Vice-President

August 19, 1885.

At Quebec.

My dear Mr. Wells:

If before I see you in Toronto any important action is necessary in Esplanade matters, I will be glad if you will consult with Mr. Osler, he being a Director and on the ground.

It should be distinctly understood that we, in carrying out our present plans, have nothing in common with the Grand Trunk. If they interfere in any way with our schemes we must hit from the shoulder. "If we don't improve on the draw, we must bluff."

Yours truly,

(sgd) W. C. Van Horne
Vice-President

Hon. R. M. Wells, M.P.,
Toronto.

August 25, 1885.

R. A. Smith, Esq.,
Allan Line,
Montreal.

Dear Sir:

I am more than surprised at the contents of your letter of yesterday.

Do you remember my having read to you a letter to Mr. Hickson of which the enclosed is a copy, immediately after it was written and do you remember our conversation at your office just before it was written?

I had previously written Mr. Hickson, on the 16th of April, that his suggestion that the summer business should be allowed to run along on agreed rates and divisions without regard to winter arrangements - the steamship lines being left free to deal with us on the same footing as with the Grand Trunk - would not be satisfactory, because without definite arrangements covering the winter business, via Portland, the Steamship Lines would not feel safe in according equal terms and treatment to the Canadian Pacific, and I said to him further that this conclusion was confirmed by what Mr. Allan and yourself had said to me on the subject. You saw this letter before it went to Mr. Hickson. On the 24th or 25th of April this matter was discussed in your office and you said distinctly that you would put us on the same footing as the Grand Trunk in respect of freight and passenger business except the prepaid emigrant business and on the strength of this, I wrote my letter to Mr. Hickson on the 25th, of which the enclosed is a copy.

Yours truly,

(Sgd) W. C. Van Horne
Vice-President

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Letterbook #12
June 1885 - Aug.

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